



Populism and its Economic Characteristics:

A Case Study of the USA (2017-2021)

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Abstract

The rise of populism in advanced economies, particularly in Europe and the United States since 2007/2008, has raised questions about the economic policies of populist leaders. This study examines whether there are common economic characteristics shared by populists upon assuming power and investigates the impact of these policies on the economy. The research focuses on four key characteristics associated with populism: *Protectionism and Globalization*, *The Economics of Migration*, *Macroeconomics*, and *The Democratic Status*.

The paper finds that populist leaders, especially right-wing populists, exhibit xenophobic rhetoric and pursue policies of economic and migratory nationalism and protectionism. Additionally, countries governed by populists tend to experience adverse economic outcomes, including declines in real GDP, high levels of debt, and erosion of democratic institutions such as an independent judiciary, quality of elections, and freedom of the press and media.

A case study on Donald Trump's presidency reveals that his macroeconomic agenda closely aligns with typical populists and right-wing populists. His trade and migration policies reflect protectionism and prioritize domestic workers' concerns, while his behavior as president affected the democratic institutions of the United States. However, assessing the precise impact of his actions on the U.S. economy is challenging due to the COVID-19 pandemic. The research underscores the need for further comprehensive investigations into the economic implications of populism.

Keywords: *Populism, Right-Wing Populism, USA, U.S. Economy, Donald Trump, Economic Populism*

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List of Abbreviations

AfD	Alternative for Germany
EU	European Union
GDP	Gross Domestic Product
OECD	Organization for Economic Cooperation and Development
TTP	Trans-Pacific Partnership
UK	United Kingdom
U.S.	United States
USA	United States of America
USD	U.S. Dollar

1. Introduction

Donald J. Trump, the 45th President of the United States (U.S.), whose tumultuous tenure was marked by controversy and polarizing rhetoric, announced his campaign for a second term in a speech at Mar-a-Lago in Palm Beach, Florida on the 15th of November 2022. While this announcement was not unexpected, its implications are expected to be far-reaching, including the reconfiguration of his political party's trajectory (the Republicans), the emergence of complex legal quandaries, and a potential transformation of the presidency of his opponent and current President, Joe Biden (Democrat). Trump's explicit aim is to restore his presidential status through his political movement that he characterizes as unique and historic. As he proclaimed:

“There has never been anything like it, this great movement of ours... And perhaps there will never be anything like it again, ... America’s comeback starts right now.”

(Cadelago, et al., 2022)

It seems clear that Donald Trump is trying to build on his political legacy and push through his political agenda. This is a unique situation as the United States' two-party system, which uses a winner-takes-all approach during elections, has remained relatively resistant to populist challenges (Greven, 2016, p. 4). Right-wing populism in the US has long been more of a fringe phenomenon but Donald Trump brought it to the political center. In his first election campaign in 2015/2016, Trump successfully used populist rhetoric to mobilize a broad spectrum of populist forces and movements (Lammert, 2017). However, populist parties have gained votes not only in the U.S. but also in other parts of the world. On first inspection, the rise of populist movements across the globe has been rapid and synchronized, with its ascent becoming evident during the global economic crisis of 2007/2008. In 2010, Victor Orban rose to power in Hungary and propagated the concept of illiberal democracy, while the *Tea Party* movement gained momentum in the United States. The appeal of populist parties has continued to expand since then, with the European Parliament elections in 2014 resulting in the *National Front* taking the top spot in France and the *Independence Party* winning in the United Kingdom (UK). Additionally, a peculiar alliance between

SYRIZA, a radical left-wing party, and *Independent Greeks*, a nationalist and far-right party with conspiracy-theory beliefs, occurred in early 2015. Despite not achieving control in some countries, populists have managed to substantially increase their support. For instance, Le Pen, the leader of the *National Front*, reached the second round of the French presidential election in 2017. In the same year, Germany's far-right *Alternative for Germany* (AfD) party won seats in the Bundestag for the first time, followed by Italy witnessing the formation of a coalition between the right-wing *Lega Nord* and the populist *Five-Star Movement* in 2018. Populism culminated in 2016, with the election of Donald Trump as the President of the United States and Brexit in the UK. Even with some populist leaders mishandling the coronavirus pandemic, it remains uncertain whether their failure will diminish their appeal (Gurieiev & Papaioannou, 2022, p. 754). This is particularly questionable, because although Donald Trump lost the 2020 U.S. presidential election, he still received approximately 74,222,958 votes, or 46.8 percent of the votes cast. Notably, this vote count surpasses that of any previous presidential candidate, except for his opponent, Joe Biden, who ultimately emerged as the victor in the 2020 election (Lindsay, 2020).

The reasons why populists are elected are varied and strongly dependent on the political history, system, and culture of the countries, but there are commonalities (Greven, 2016, p. 2). In his scholarly contribution, Rodrik (2017, p. 2) posits that the advanced phases of economic globalization have generated a political backlash that is exemplified in today's manifestations of both left and right-wing populism. In explaining this phenomenon, Rodrik illuminates how advances in technology, the emergence of winner-takes-all markets, the erosion of labor market protections, and the removal of norms that limit wage differentials have collectively contributed to this backlash. Also, contributing to the rise is the dissatisfaction with the status quo and slow or stagnant economic growth, which can garner support for populist alternatives. This association is particularly visible when poor economic performance occurs under the leadership of mainstream parties. For instance, Italy has experienced virtually no income growth since the adoption of the euro in 1999 (Eichengreen, 2018b, p. 367), contributing to the election of the *Lega Nord* and the *Five-Star Movement* in 2018 (Gurieiev & Papaioannou, 2022, p. 754). Critics may argue that populism encompasses more than the economy. They claim that nowadays it revolves around identity politics as well. While

Eichengreen (2018a, p.10) partially agrees with this notion, he believes that populism primarily stems from the perceived threat posed by immigrants and racial, religious, and ethnic minorities to the once-dominant group. It serves as a protest against the diminishing influence of traditions, beliefs, and community that once prevailed. Populists leverage these sentiments to foster a sense of nostalgia for a glorified past rooted in the collective traditions of the majority. Eichengreen argues that those who highlight identity politics do make a valid point, however, the potency of identity politics is amplified in the face of an unfavorable economic climate. Dominant groups experiencing economic hardship can attribute their plight to immigrants, foreigners, and minorities. Populist leaders capitalize on this economic dissatisfaction and exploit identity politics. In this way, economic grievances and identity politics reinforce one another.

Another reason for the rise of populism is found in India within the rise of the populist Narendra Modi, who has been successful in winning elections during a time when traditional connections between non-populist parties and voters have been weakened. The causes behind this erosion can differ depending on the specific party system in place. Countries that have patronage-based systems, like India, are especially vulnerable to this trend. In patronage-based systems, parties depend on brokers to distribute patronage to mobilize voters. As such, decentralization plays a critical role in the success of populist movements in these democracies. Populists take advantage of the breakdown of national patronage networks by engaging with citizens directly through mass rallies and media, rather than relying heavily on institutionalized party structures. Paul D. Kenny proves this using qualitative and quantitative data from India and from other countries across Asia (Kenny, 2017).

Another part of the rise of populism is *political malaise*, characterized by steadily declining voter turnout, shrinking party memberships, and citizens increasingly expressing a general lack of interest and suspicion of politics and politicians throughout Western Europe. Fostered by modern media, an anti-political climate is created in which people perceive politics as more chaotic, detached and disconnected from people's lives, and politicians as more incompetent, ineffective, self-serving, and similar to each other than before (Albertazzi & McDonnell, 2008, p. 1).

The phenomenon of populism has garnered extensive scholarly attention, with numerous studies exploring its economic origins and the factors that promote the electoral

success of populist leaders (Rodrik, 2017; Guriev & Papaioannou, 2022; Kenny, 2017). However, less frequently debated is the actual economic performance of populists once they come to power. This gap in the literature is the focal point of this paper, which seeks to undertake a comprehensive analysis of the economic features of populism. Specifically, this paper aims to evaluate the economic characteristics of populist leaders and their economic approaches. Therefore, the research questions addressed in this paper are:

Research Question 1: Are there identifiable economic characteristics used by populists and, if so, what are the fundamental tenets of these characteristics and what are their potential impacts on a nation's economic conditions?

Research Question 2: To what extent has Donald Trump embraced economic characteristics consistent with the tenets of populism, and what are their implications for economic conditions in the United States of America?

The research closely examines the agenda of Donald Trump during his tenure as the President of the United States from 2017 to 2021, with a view to determining the extent to which his economic policies aligned with those of other populist leaders. To provide a solid theoretical foundation for the empirical analysis, the paper begins with a chapter that explains the core of populism, with a particular focus on right-wing populism. While acknowledging the existing literature on the topic, the chapter refrains from providing a large definition of populism as this falls outside the scope of the paper which is mainly concerned with exploring the economic factors that underpin the phenomenon. As a result, the third chapter of this work delves extensively into the economic policies of populists, focusing on four key characteristics of populist economic agendas: *Protectionism and Globalization*, *The Economics of Migration*, *Macroeconomics*, and *The Democratic Status*. Subsequently, the fourth chapter builds upon the previous chapter's findings, offers a comprehensive case study of the economic decisions made during the Trump administration, and analyzing how they align with the four identified characteristics of populist economic agendas. The fifth chapter critically evaluates the fourth chapter and highlights its *Limitations and Future Research*

Suggestions. In conclusion, the paper summarizes the main findings and offers an outlook on the potential for Trump's reelection.

2. Populism - A Multifaceted Term

This paper is primarily interested in the economic characteristics of populism. However, populism is a concept that is widely discussed beyond the economic debates and is used in a highly inconsistent and controversial manner. It is difficult to delimit and is analytically blurred, especially since it is used in everyday language, in the journalistic profession, and in academia (Dahrendorf, 2007). For this reason, the following chapter will focus only on the core definitions of populism and right-wing populism.

2.1 The Core of Populism

In his attempt to describe the characteristics of populism, Eichengreen invokes the words of Judge Potter Stewart, who famously stated in regards to pornography, “I know it when I see it.” (Eichengreen, 2018b, p. 367) – the same concept applies to populism. This quote clearly hints at the multi-faceted and vague nature of populism.

In the analysis of populism, it is essential to delve into the origins of the Latin word *populus*, which refers to the general population in a collective sense (Andersen, et al., 2017, p. 52). This explains the basic concept of populism, which states that the power is vested in the people and that politics should be a manifestation of their collective will. Populism exalts the people and harbors hostility towards the ruling elite, with the leader serving as a conduit for the voice of the people. Populist narratives often recount stories of ordinary people being cheated by a corrupt establishment; the leader providing a glimmer of hope to free them from their subjugation. The ultimate goal of populism is to restore power to the people (Diehl, 2017), making populism an integral component of democracy (Andersen, et al., 2017, p. 52). It is neither left nor right, as it is a claim and a method rather than a specific ideology (Pelinka, 2002, p. 282). To quote Mudde, populism is an:

“...ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups, ‘the pure people’ versus ‘the corrupt elite’, and which argues that politics should be an expression of the *volonté générale* (general will) of the people.” (Mudde, 2004, p. 543)

This homogeneity leaves no room for pluralism, minority protection, or diversity of opinion. Within that, it is about the moral superiority of the people over the elites, and is thus about the people's moral right to govern. This ideological framework often justifies the circumvention or suppression of checks and balances, which are viewed as instruments of the corrupt elite (Guriev & Papaioannou, 2022, p. 757). Therefore, it can be argued that the two opposing ideologies to populism are *elitism* and *pluralism* (Mudde, 2004, p. 543). Elitism shares the belief that society is divided between the elite and the common people. However, unlike populism, elitism views the elite as intellectually and morally superior while seeing the general public as a dangerous mob. On the other hand, pluralism rejects the dichotomy between the elite and the masses and acknowledges the diversity of interests and ideas present in society. It views political decision-making as a flexible and open process. Populism is also frequently viewed as being at odds with the principles of liberal democracy, which combine the will of the majority with institutional checks and balances to protect essential individual rights (Andersen, et al., 2017, p. 52).

However, populism is first and foremost a rhetorical device. Populism is used by politicians to connect with the people. Effective populism requires a certain linguistic skill and the ability to tailor language and content to the audience and its desires. Rather than a comprehensive political program based on fundamental values and attitudes, populist demands are often based on what the audience wants to hear. The populist aims to present themselves as the voice of the people and as such, frequently criticizes the political leadership and elites for their mistakes and flaws without providing any viable solutions (Wolf, 2017, p. 8). While highlighting the mistakes of the elites, Populists rely on half-truths, oversimplifications, and widespread prejudices to bolster their arguments, often resorting to provocations, taboo-breaking, emotionalization, and fear-mongering (Albertazzi & McDonnell, 2008, p. 6).

Another fundamental aspect of populist discourse is the use of "common sense" arguments to strategically disguise any lack of rationality or logical coherence in their positions. This tactic involves the deliberate use of uncomplicated language, avoiding complex expressions and foreign terminology whenever possible. By condensing the

entire worldview into polarized extremes, populists seek to enhance the perceived credibility of their seemingly simple solutions (Wolf, 2017, p. 9).

In short, populists typically adopt a rhetorical language that challenges the authority of established elites. Legitimacy for this is derived from the sovereignty of the people, which takes precedence over the rights of minorities and decision-making representatives (Guriev & Papaioannou, 2022, p. 757). Populism thrives on the sharp criticism of given conditions; it is able to dominate social debates and constantly radicalize itself (Schellenberg, 2018). This is especially true of right-wing populism, which is embodied by Donald Trump, and will be critically analyzed in the following chapter.

2.2 The Main Characteristics of Right-Wing Populism

While populism can be considered an ideology in its own right, it lacks the same level of intellectual sophistication and consistency as other ideologies such as socialism or liberalism. Populism can be described as a “thin-centered” ideology, with a limited core of political concepts revolving around the idea of “the people”. Populism can easily be combined with other ideologies, such as communism, environmentalism, nationalism, and socialism (Mudde, 2004, p. 544). As so, right wing populist ideology builds on populist ideology, merely combining it with further characteristics, specifically, a quite concrete definition of the people (Wolf, 2017, p. 12). Right-wing populists, like their relatives, the extreme right, and unlike left-wing populists, define their "people" along racist-chauvinist characteristics. The people in this worldview do not mean the citizens of a state, but the nation. The “others” or “foreigners” are defined by exaggerated ethnic, religious, cultural, sexual, and political criteria of exclusion. With the right-wing populist “people” concept, a part of the population of plural societies is appropriated, while other parts are excluded as not belonging (Schellenberg, 2018). Therefore, right-wing populism tends to be xenophobic, as the tendency toward exclusion, which is inherent in all populism, takes on xenophobic features (Pelinka, 2002, p. 284). Therefore, right-wing populist do not only recognize the “ruling elite” as a reason of harm, they also posit the “others” as a threat (Wolf, 2017, p. 13).

Paradoxically are the candidates of right-wing populist parties, who compete in elections and are frequently part of the elite themselves, often belonging to the most

advantaged group. Consequently, the leadership of populist parties comprise individuals such as nobles, economics professors, and lawyers – as in the case of the German *AfD*, or wealthy business families and multimillionaires – like in the *National Front* or Donald Trump in the U.S. (Schellenberg, 2018).

Right-wing populism's specific understanding of "the people" underlies a number of other central elements of right-wing populist ideology, while varying around the world, are similar (Greven, 2016, p. 1). Among these characteristics of right-wing populism are, Euroskeptic to Europhobic attitudes (in Europe), ethnopluralism – which describes a variety of ethnicities that are supposedly not allowed to mix (Schellenberg, 2018), and an exaggerated need for security, and economic and social protectionism. Although populism is also protectionist, right-wing populism is much more concrete in that it identifies the domestic economy and the national security system as worthy of protection (Wolf, 2017, p. 14). In addition, they also reject economic and cultural globalization, which is a part of protectionism. This was not always the case, as earlier right-wing populists supported a neoliberal political economy (Zaslave, 2008, pp. 170-171). This anti-establishment rhetoric and the notion of “the people” versus “the elite”, which form the central element of populism, are nowadays also commonly adopted by most economists who study this phenomenon (Rodrik, 2017; Eichengreen, 2018a). In the following third chapter, the four major economic characteristics of populism will be debated.

3. Populist and their Economic Agenda

Although political science has produced a vast amount of literature on the topic of populism, as referenced in Chapter 2, economists have paid relatively little attention to the subject matter. There are, however, exceptions, such as the works of Dornbusch and Edwards (1990, 1991), Acemoglu, et al. (2013), Andersen, et al. (2017) and Funke, et al. (2020). The following chapter examines the policy work of populists and presents the findings of these economists. It is divided into four subsections that delve into the economic policies of populists, exploring the causes behind their effects and shedding light on their economic impact.

3.1 Protectionism and Globalization

Since the late 1980s, cross-border trade has increased steadily, with significant reductions in tariffs, quotas, and non-trade barriers (Guriev & Papaioannou, 2022, p. 767). Since then, populists, and especially right-wing populists (Zaslav, 2008, p. 173), gain support by denouncing the beneficiaries of globalization and claim that the government must regulate the global economy more heavily in order to limit globalization (Rodrik, 2017, pp. 1-2).

Economists acknowledge that trade can lead to job loss and reduced income for certain demographics. According to neoclassical trade theory, which is based on differences in factor proportions, or technological differences, globalization enhances aggregate output, but there are both winners and losers. Market integration benefits high-skilled laborers in developed countries – with an abundance of human capital, and low-skilled workers in developing nations – where human capital is scarce. While low- and middle-skilled workers in developed countries may experience advantages, such as cheaper imported products and “aggregate demand” effects, their employment opportunities are at risk since the production of goods with low human-capital requirements moves to low-wage countries. Middle-skilled workers are particularly vulnerable since their higher wages, compared to low-skilled workers, create stronger incentives for outsourcing and offshoring, which can lead to job polarization in developed economies and a rise in inequality (Guriev & Papaioannou, 2022, p. 768). The integration of China and

India into the global market has led to a significant increase in the supply of low- and middle-skilled workers in relation to higher-skilled labor and capital. As a result, industries that require a substantial amount of unskilled labor have moved their production to China and India. Consequently, workers with lower levels of skill in Europe and North America have experienced negative impacts, such as a scarcity of jobs and stagnating wages (Andersen, et al., 2017, p. 56).

However, economists struggle to comprehend why populists, especially right-wing populist, mostly target trade. Imports only account for one factor that contributes to labor market changes. Demand fluctuations, technological advancements, and competition with other domestic companies have a much more substantial impact on job displacement than import growth (Rodrik, 2017, p. 13). Especially, as recent empirical studies have further reinforced this perspective, revealing the detrimental consequences associated with economic nationalism and tariff escalation (Funke, et al., 2020, p. 34). Nevertheless, right-wing populists do not subscribe to this view. They contend that globalization is forced upon the people by economic and political elites, and that globalization is founded on four key components. Firstly, they believe that globalization serves the interests of the economic and political elite. Secondly, that globalization limits state sovereignty. Thirdly, that globalization leads to the growing power of the European Union (within European right-wing populist movements). Fourthly, that economic globalization undermines the organic nature of civil society, threatening its traditional organizing principles and natural economic order (Zaslove, 2008, p. 174).

A meta-study by Funke, et al. (2020, pp. 34-36) examines this attitude using trade data, confirming that import tariffs increase substantially after populists take office. This increase is observed on both right-wing and left-wing populist governments, with the differences in tariffs being as high as ten percentage points in the 15 years following the election of a populist. Even though tariff rates are rising among both wings of populism, they are higher among right-wing populists and increase more consistently.

Populist governments tend to implement high tariff barriers, regardless of their political ideology, after coming into power. The classic populist rhetoric of “the people” against “the elites”, and the right-wing populist extension of “the people” against “the foreigners” takes on political form as soon as they are in power. This tendency of populist governments could be a factor that weakens the economy of countries led by populists.

3.2 The Economics of Migration

The movement of people, or migration, has been a significant factor in the development of humanity. Migration occurs for various reasons, ranging from voluntary, such as worker migration, to involuntary, such as fleeing from conflict or persecution. One notable trend is the movement of people from less developed to more developed economies, resulting in an increasing number of foreign-born individuals in many developed countries in the last 30 years (Andersen, et al., 2017, p. 83). The proportion of international migrants relative to the total population in high-income countries has grown from 6 percent in 1990 to 10 percent in 2015, with North America experiencing an increase from 10 percent to 15 percent, and the EU witnessing a rise from 6 percent to 11 percent. This rise can be attributed to various factors that “push” people out of their countries of origin and “pull” them towards others. Developed nations confront demographic challenges, and therefore, enticing a workforce may be advantageous both economically and for sustaining pension systems that operate on a “pay-as-you-go” basis. As transportation and information asymmetries decline, the cost of cross-border migration has decreased. Additionally, emigration and development has a non-linear relationship, as income growth in the sending countries promotes migration. When sending countries transition from low- to middle-income levels, a larger segment of their population can afford to bear the costs of migration (Guriev & Papaioannou, 2022, pp. 797-798).

Due to that, today's right-wing populists have made immigration a top priority on their agenda – following again their classic rhetoric of “the people” against “the foreigners” – claiming that it is both an economic and cultural issue. Their rhetoric instrumentalizes and dramatizes migration; portraying immigrants, especially Muslims, as adversaries. Some populists contend that immigrants take away jobs from native workers and depress their salaries, while others argue that the values and social norms of immigrants are incompatible with those of the host country, posing an existential threat to the country’s identity and culture (Wolf, 2017, pp. 15-16). Right-wing populist parties often deny that some migrants are seeking refuge from war and political persecution, instead alleging that migrants are primarily motivated by economic benefits. Populists’ main economic arguments against immigration assert that newcomers compete with locals

for employment, lowering wages and displacing local workers, and that migrants take use of the welfare state while making little in the way of tax payments. This attitude leads populists to call for policies to limit immigration, which in turn leads these parties to advocate for significant changes to current immigration policies (Andersen, et al., 2017, p. 55).

Some economists view this as a concern, as research has indicated that immigration is likely to have a positive overall economic impact on the receiving country (Guriev & Papaioannou, 2022, p. 798). Boubtane, et al. (2016, pp. 355-357) analysis of 22 of *The Organization for Economic Cooperation and Development* (OECD) countries between 1986 and 2006 reveals that immigration had a net positive effect on economic growth. They analyzed the impact of permanent migration flows on economic growth based on the origin country and skill level of migrants. Their findings indicate a positive effect of migrants' human capital on the *Gross Domestic Product* (GDP) per worker, with the accumulation to human capital formation outweighing the dilution effect on capital. However, there is also a widely held agreement on a crucial aspect: immigration has a more advantageous impact on growth when the influx of immigrants is comprised of highly skilled workers (Borjas, 2019, p. 1). Due to that, most countries have more lenient immigration policies for highly skilled individuals as they seek to attract such talent (Andersen, et al., 2017, p. 94).

In addition to its economic implications, the labor market implications of immigration are crucial. According to Borjas (2018, p. 11), it is highly likely that immigrants impact the employment prospects of native workers within a skill group. An increase in the supply of labor within a group is likely to depress the wage rates for that group in the short term. Immigration is increasing this supply, primarily, in the low-skilled labor sector, which is especially problematic. Due to globalization and advancements in technology, there has been a shift towards skill-bias changes, where the demand for low-skilled labor is falling in high-income countries. As a response, countries are focusing on enhancing the skill level of their workforce to maintain high employment rates and a fair wage distribution. However, low-skilled labor immigration intensifies the skill-bias problem by adding to the supply of low-skilled labor, which further complicates labor market policies. This creates social tension as groups already facing pressure find

themselves bearing a disproportionate burden of the adjustment in terms of job opportunities and wages (Andersen, et al., 2017, p. 97).

As especially right-wing populist claim to speak for “the people” of a country, the question is how do right-wing populist parties affect migration and integration policies when they are in power? According to Lutz (2019, pp. 540-543), right-wing populist parties have no significant impact on the openness of immigration policy. However, there is a tendency for greater selectivity in immigrant admissions when they are part of a government. On the other hand, governments that have the support of right-wing populist parties tend to enact significantly more restrictions on integration policies compared to mainstream right- or left-wing governments. It seems that right-wing populist parties can use their bargaining power to demand policy reforms that restrict immigrant integration. Nevertheless, there are exceptions to this pattern. One notable example is the Danish minority cabinet from 2001 to 2005, which received support from the *Danish People's Party*, effectively forming a coalition. During this period, the government implemented policies such as stricter regulations on access to citizenship and family reunification, as well as reduced welfare benefits for migrants (Schain, 2018, p. 18).

In conclusion, right-wing populist governments exercise significant influence over migration policy, whether they actively govern or merely advocate for stricter immigration controls to the ruling parties. This influence allows them to translate their rhetoric of “the people” versus “the foreigner” into actual consequences regarding immigration. The next chapter examines the impact of populists on a country's macroeconomy.

3.3 The Macroeconomics

Macroeconomists have dedicated limited attention to researching populism, and it was conventionally thought that populism, comes mainly from the (new) left in developing countries (Mudde, 2004, p. 548). Although there have been accounts of the political implications of populism since the 1990s, these studies have primarily centered on explaining the outcomes through narratives, rather than providing comprehensive, quantitative evidence in economics and economic history. Dornbusch and Edwards (1991, p. 9), for example, described Economic Populism, from left-wing populist in south

America, as an economic approach that prioritizes growth and income redistribution while downplaying the risks associated with inflation, deficit finance, external constraints, and the response of economic actors to aggressive non-market policies. Furthermore, claimed Dornbusch and Edwards (1991, p. 9), the primary cause of economic decline during populist regimes are unsustainable macroeconomic policies. They argue that populist policies ultimately prove to be unsuccessful and result in significant costs for the very group, “the people”, they aim to benefit. The authors specifically studied left-wing populist leaders in Latin America who implemented policies leading to a substantial rise in public debt and soaring inflation rates, culminating in an overall economic decline and crisis. These harmful effects of populist macroeconomic policies raise the question of whether this pattern of macroeconomics holds true in a broader populist sample.

To address this research gap Funke, et al. (2020, pp.19-22), conducted a comprehensive meta-analysis investigating the economic history and performance of 53 populist presidents and prime ministers from 1900 to 2018. Their analysis effectively closed that research gap and shed light on the economic outcomes associated with populist leadership. Their analysis uncovered a noticeable discrepancy in growth between governments that are populist and those who are not. Countries experience a decline in performance after a populist government assumes power, both compared to their typical long-term growth rate and the current global growth rate. The disparity from the standard growth rate exhibits a negative value, ranging from roughly negative 0.8 percent to negative 1.2 percent lower growth. This effect persists over both the short-term (five year) and long-term (15 year) periods following the ascent of populist leaders.

Furthermore, they showed that after the rise of a populist leader, there is a discernible GDP dynamic. Real GDP per capita experiences a significant decline in comparison to countries with non-populist leaders. An especially noteworthy pattern has been observed over time. For the initial three years, which is a considerable portion of a typical political term, populist leader performance is not noticeably worse than their non-populist counterparts. However, the negative consequences become increasingly apparent after the three-year mark and continue to escalate. Left- and right-wing populism exhibit little difference in their outcomes, as both types result in substantial decreases in production over time, even though right-wing populists performs slightly worse

(Funke, et al., 2020, p. 21). Although it may appear improbable, it is theoretically feasible for populism to have a negative impact on GDP per capita on average, while simultaneously improving its distribution, potentially benefiting the median voter. To assess this, the researchers analyzed the Gini index after-tax income (Funke, et al., 2020, pp. 30-32). The Gini coefficient, also known as the Gini index, is a measure of inequality that ranges between zero and one (Gini coefficient) or can be scaled from 0 to 100 (Gini index). When income is distributed equally, the Gini index has a value of 0, while a value of 100 indicates a concentration of total income in a single individual (destatis, no date). Their findings indicated that the rise of right-wing populist leaders led to an average increase of one Gini index point. Conversely, left-wing populism caused a decline of roughly two Gini index points in inequality over a 15-year span after a populist leader gained power (Funke, et al., 2020, p. 31). Funke, et al. (2020, pp. 30-31) also investigated whether there is a connection between the rise of populist leaders during times of economic downturn. They discovered that 19 out of 53 populist leaders gained power following a financial crisis. Interestingly, those populists who did not come into power after a financial crisis experienced a greater decline in GDP growth. The researchers then focused on the subset of populists who began their term in a year of recession or the year immediately after. This occurred in 23 out of the 53 cases, which amounts to roughly 43 percent. However, even after considering this factor, the results remained strong and reliable.

Funke, et al. (2020, pp. 33-37) also conducted a study comparing fiscal and monetary policy outcomes during periods of populist leadership. Their findings reveal that debt ratios tend to increase across all types of populists. After a span of 15 years, debt levels during populist episodes rose on average up to ten percent. These results are correlated with a relative increase in debt-to-GDP ratio. Particularly prior to the 1990s, left-wing populists exhibit a rapid surge in debt, driving countries towards unsustainable debt dynamics, which aligns with the conclusions of Dornbusch and Edwards (1991, p. 9). However, significantly higher debt ratios and potentially unsustainable debt dynamics can also be observed among right-wing populists. Conversely, the comparative analysis shows that there are cases of fiscal conservatism within right-wing populism as well. Overall, despite some distinctions, the data presented by Funke, et al. (2020, pp. 33-37) suggest that the expansionary fiscal stance described by Dornbusch and Edwards

(1991, p. 9) is a notable feature of populism, including right-wing populism beyond the Latin American context. Magud and Spilimbergo (2021), researchers who have examined populism in South America over the past five decades concur with the key macroeconomic characteristics outlined by Dornbusch and Edwards (1991, p. 9). However, they also emphasize several points. Firstly, they note that macroeconomic imbalances are not exclusive to populist governments; other types of governments can also create such imbalances. Secondly, not all populist administrations have implemented irresponsible economic policies. And thirdly, by introducing new concerns into the political discourse, populist politicians have played a role in addressing significant social issues.

A question that emerges from Dornbusch and Edwards (1991, p. 9) is why these policies are supported in the first place. Acemoglu, et al. (2013, p. 774) propose the argument, that populist politicians must demonstrate their independence from the ruling elite in order to secure elections. As voters fear to again endorse a politician who is supported by the elite, they rally behind politicians who do not align with the elites or their interests. For a populist politician to achieve this, they must pursue radical redistributive and interventionist policies that are so extreme that a politician, influenced by elites, would never implement. Consequently, populist economic policies serve as a costly signal to the entire economy, despite originating from a fundamental issue: the vulnerability of democratic institutions and the potential influence of elites beyond the electoral process. These factors also contribute to the following chapter, titled The Democratic Status as they are crucial components of a thriving economy.

3.4 The Democratic Status

Given China's remarkable economic growth under a nondemocratic system and the emergence of populist leaders in Europe and the United States, there has been a growing inclination in academic and policy discussions to view democratic institutions as, at best, inconsequential and, at worst, detrimental to economic growth (Acemoglu, et al., 2019, p. 1). Contrary to this notion, Acemoglu, et al. (2019, pp. 92-93) present evidence that debunks this misperception and demonstrates the positive impact of democracy on GDP per capita. Their findings unequivocally indicate that the process of

democratization leads to an approximate 20 percent increase in GDP per capita over 25 years. Moreover, this effect holds true across various levels of development and appears to stem from heightened investments in capital, education, healthcare, and other factors. Due to its inherent nature and rhetoric, populism undermines the fundamental principles of checks and balances in a liberal democracy. Populist leaders assert their exclusive legitimacy as representatives of “the people.” Consequently, they inherently oppose a pluralistic society that encompasses checks and balances and intermediate social entities (Magud & Spilimbergo, 2021, pp. 11-12). Likewise, since a significant portion of populist appeal relies on portraying an “other”, populist leaders who hold positions of power redirect their criticism of the elite towards targeting opposition parties, courts, judges, journalists, and other institutions of democracies, that are perceived to hinder or actually obstruct their agenda (Spittler, 2018, pp. 103-104).

As a result, even in instances where populists underperform, they do not always face electoral defeat. When populists become aware that they are unable to fulfill their promises, they resort to strategies aimed at solidifying their grip on power. This involves attempts to seize control of political and economic institutions, undermine the autonomy of independent agencies, and circumvent checks and balances (Guriev & Papaioannou, 2022, p. 812). As a result, and as shown in numerous studies, the quality of institutions tends to deteriorate over time during the tenure of populist regimes (Magud & Spilimbergo, 2021, p. 11; De La Torre, 2018, p. 733). Funke, et al. (2020, p. 42) also support this viewpoint, analyzing the “Judicial constraints on the executive, Free and fair election [and] Press and media freedom” during populist mandates. They found that there is a direct decline in institutional quality as soon as a populist comes into power. This phenomenon applies to both left-wing and right-wing populists. The process of deteriorating institutions begins shortly after populists come into power and persists for over ten years. Funke, et al. (2020, pp. 40-43) also observe that the erosion of judicial independence and media freedom is somewhat more noticeable when left-wing populists are in office, whereas right-wing populists tend to impose stronger restrictions on electoral freedom. Nevertheless, their findings suggests that populists, regardless of their ideological orientation, target all institutions.

Populism appears to have negative implications for the democratic status which could lead to a negative effect on the GDP per capita of a country. Populist leaders often

adopt protectionist trade policies, display certain attitudes towards migrants, engage in unsustainable macroeconomic practices, and undermine democratic institutions. These factors seem to significantly influence the economy of a country governed by populists. The upcoming chapter will investigate these economic behaviors, using the United States during the Trump administration as a case study. To thoroughly analyze these aspects, each of the four characteristics will be examined separately.

4. Case Study: The United States Under Donald Trump

The upcoming chapter will offer an examination of the United States during the Trump administration. The initial focus will be on establishing whether Donald Trump can be categorized as a populist. Subsequently, an evaluation will be conducted to determine the extent to which he embodies the four characteristics outlined in the chapter three. To accomplish this, an analysis of the four categories under Trump will be conducted, followed by a discussion part aimed at clarifying whether these align with the behaviors observed in other populist leaders.

4.1 Donald Trump's Populism

As mentioned earlier, Populism is an ambiguous concept that can be challenging to define. However, similar to Judge Peter Stewart's statement about pornography and Eichengreen's view on populism, the phrase "I know it when I see it" (Eichengreen, 2018b, p. 367) could also apply to Donald Trump, who has been broadly described as a populist. Nevertheless, providing a definitive description of how his behavior aligns with those of populists is a complex undertaking.

From the beginning of his campaign, he targeted primarily the establishment, aligning himself with the key belief of populist: that the society can be divided into a virtuous population and a corrupt elite (Eichengreen, 2018a, pp. 118-119). Trump skillfully drew on the contrast between "the people" and "the elite" and he claims to be "draining the swamp" in Washington to better represent the interests of the common person (Lammert, 2017). In a final television ad just days before the election, he argued:

“The establishment, has trillions of USDs at stake. ... For those who control the levers of power in Washington and for the global special interests, they partner with these people that don't have your good in mind.... The only people brave enough to vote out this corrupt establishment, is you, the American people.” (Eichengreen, 2018a, p. 118)

As seen from this quote, Trump embraces the ideology that the U.S. population can be delineated into two homogeneous groups: the pure people versus the corrupt elite (Mudde, 2004, p. 543). Illustrated in this quotation as the “corrupt establishment” wielding “trillions of USDs” in contrast to the “brave... American people”. Moreover, this part of his speech aligns with the quintessential aim of populism, which is to restore power to the people (Diehl, 2017). Symbolized in this context by the call for the American people to vote. To substantiate his anti-elite messaging and separate himself from the “corrupt establishment”, Trump positioned himself as an adversary of Republican Party norms. He demonstrated little regard for the party's stances on social, foreign, and trade policies, and even less for his fellow candidates; refusing to toe the party line and declining to form alliances with other Republican nominees (Eichengreen, 2018a, p. 118 f.).

It might appear contradictory that Donald J. Trump, a wealthy individual from New York City, managed to secure the presidency with anti-elite rhetoric. His financial prosperity, however, did not work against him but instead served as a significant advantage. It allowed him to effectively communicate to his voters that he was not beholden to monetary influences or special interest groups, distancing himself from “the elite”. By virtue of his existing wealth, he portrayed himself as an outsider who did not need to engage in negotiations with the establishment to enact policies for the betterment of “the people” (Lammert & Vormann, 2020, p. 334).

Moreover, Trump resorted to right-wing populist tactics characterized by spreading fear and blame towards Mexican immigrants, Muslims, and other groups for the nation's discontent (Schellenberg, 2018). When announcing his presidential candidacy on June 16th of 2015, Trump specifically targeted Hispanics, stating:

“When Mexico sends its people, they’re not sending their best. They’re not sending you. They’re sending people that have lots of problems, and they’re bringing those problems with us. They’re bringing drugs. They’re bringing crime. They’re rapists.”

(Kenneth White, 2016, p. 275)

These actions align with the typical behavior of a right-wing populist, as in this worldview people do not mean the citizens of a state, but the nation. The “foreigners”, in this case the Hispanics, are defined by political criteria of exclusion (Schellenberg, 2018). In this instance, he indiscriminately labels all Hispanics who come to the U.S. as “rapists” and criminals, failing to acknowledge the possibility that they may include individuals seeking refuge.

Keeping tradition with other right-wing populist movements, he worked to secure the positions of the traditional elite as suggested by his cabinet appointments (Schellenberg, 2018). Trump's cabinet included many established politicians from within the party, and was comprised of a high number of billionaires, with Wall Street being prominently represented (Lammert, 2017).

Trump's behavior and presented ideology can be seen as representative of a populist and right-wing populist approach, which views society as being divided into two groups: the “pure people” and the “corrupt elite” and in specific to the right-wing tendency toward xenophobic and racist attitudes.

The forthcoming chapter will evaluate whether this populist and right-wing populist attitude had an impact on his economic agenda.

4.2 Donald Trump’s Policies

Despite the substantial influence of the COVID-19 pandemic during the last year of Trump's presidency, the subsequent section undertakes an examination of Donald Trump's predominant economic agenda, with specific attention given to the four primary characteristics of a populist economic framework as outlined in chapter three. Each subchapter is structured into an analysis segment, underscoring the policies enacted by Donald Trump, and a discussion segment, deliberating on whether his behavior can be classified as populist and aligns with the findings of the preceding chapter.

4.2.1 Trade Patterns

The following first analysis examines several trade policy decisions made by Trump. However, it is important to note that these actions do not encompass the entirety of trade policy decisions implemented during the Trump administration. Moreover, the analysis primarily concentrates on the year 2018, which can be regarded as the apex of Donald Trump's trade war, as examining the entire four-year period extends beyond the scope of this paper.

Analyses

Following his election, Donald Trump wasted no time in implementing his “America-First” strategy, which involved taking assertive measures within trade policy (Berenberg-Gossler, et al., 2020, p. 960). Restructuring international trade emerged as a key objective, as emphasized in a position paper to generate 25 million new jobs and an economic growth to a rate of 4 percent (Bandholz, 2020, p. 6). Trump's approach marked a departure from the previous stance of international cooperation, shifting away from a free trade-oriented economic policy towards protectionism. The aim was to revive domestic production capabilities, generate employment opportunities, and address trade imbalances (Berenberg-Gossler, et al., 2020, p. 960). During his initial three-year tenure, President Trump engaged in the renegotiation of several trade agreements. In pursuit of this objective, the United States enforced import duties to compel partner countries into engaging in new negotiations (Berenberg-Gossler, et al., 2020, p. 962). In January 2018, Donald Trump's administration implemented import tariffs, initially set at 30 percent for final production of solar cells and 20 percent for washing machines (Berenberg-Gossler, et al., 2020, p. 963). Followed by imposed supplementary tariffs on steel (25 percent) and aluminum (10 percent) imports from numerous countries, citing national security concerns, including the European Union (EU) in March 2018. This action by the U.S. administration capitalizes on a loophole within the multilateral regulatory framework, as the invocation of national security allows for extensive discretionary powers that trading partners had predominantly avoided utilizing through implicit agreement (Matthes, 2020, p. 1). In total, the United States implemented tariffs

on imports amounting to 283 billion U.S. Dollars (USD) in 2018, encompassing a wide range of tariffs varying from 10 to 50 percent (Amiti, et al., 2019, p. 188).

As a result, the existing free trade agreement with Korea underwent enhancements with the inclusion of new provisions. These additions encompassed limitations on Korean steel exports and exemptions for American cars from Korean safety regulations (Felbermayr, 2020, p. 9). During the process of the successor to the *North American Free Trade Agreement* involving Canada and Mexico, import tariffs underwent a cycle of being lifted and reintroduced to enhance America's bargaining power (Berenberg-Gossler, et al., 2020, p. 963). Also, Trump made the decision to withdraw the United States from the *Trans-Pacific Partnership* (TPP). Through a seven-year negotiation process, the twelve countries participating in the TPP achieved substantial reductions in trade barriers, including import tariffs of up to 90 percent (Berenberg-Gossler, et al., 2020, p. 962).

However, the primary focus of these tariffs was China, given that a substantial portion of the imports in industries such as solar cells, washing machines, and aluminum originated from China (Berenberg-Gossler, et al., 2020, p. 963). Bilateral trade negotiations commenced shortly after President Trump assumed office but got overshadowed by the subsequent escalation of a trade war. President Trump announced the implementation of tariffs on Chinese imports, prompting retaliatory measures from China. Consequently, Chinese goods entering the U.S. market encountered an average tariff of 21 percent, in contrast to the preexisting average U.S. tariff rate of 3.1 percent. Similarly, U.S. products exported to China faced an average tariff of 21.1 percent, significantly higher than the average of 6.7 percent imposed on products from other nations (Lester & Zhu, 2020, pp. 20-21). In April 2018, China initiated the imposition of tariffs on a range of U.S. exports, including steel, aluminum, food, and agricultural products, amounting to 3.3 billion USD. Subsequently, in July and August, additional tariffs were imposed on 50 billion USD worth of U.S. exports, followed by another round of tariffs on 60 billion USD worth of U.S. exports in September. Also, the European Union, Mexico, Russia, and Turkey responded by imposing retaliatory tariffs on exports from the United States. Collectively, these retaliatory measures resulted in an average tariff rate of 16 percent on around 121 billion USD worth of U.S. exports (Amiti, et al., 2019, p. 188).

According to several studies (Amiti, et al., 2019; Bellora & Fontagné, 2019), the aggressive trade policies pursued by the United States have had negative economic consequences. One such study conducted by Amiti, et al. (2019, pp. 207-208) employed traditional trade models to assess the impact of tariffs on prices, quantities, and welfare within the United States. The findings indicated that U.S. import tariffs were mostly transferred to domestic prices in 2018, resulting in the burden of tariffs being borne by domestic consumers and importers while foreign exporters were relatively unaffected in terms of the prices they received. Amiti et al. (2019, pp. 207-208) estimated that the cumulative deadweight costs, which represent a reduction in real income, amounted to approximately 8.2 billion USD in 2018. Additionally, domestic consumers and importers incurred an extra cost of 14 billion USD through tariff revenues remitted to the government. The welfare costs alone, in the form of deadweight loss, reached 1.4 billion USD per month by December 2018. Moreover, Bellora & Fontagné (2019, p. 27) posit that engaging in a trade war may offer protection to specific sectors of the economy but entails overall costs for the entire economy. They estimate that the growth of the U.S. GDP reduced by approximately 0.41 percent, while China's GDP growth is projected to decrease by around 0.59 percent as a result of the trade war with China in 2018.

Discussion

Donald Trump's trade agenda aligns with the typical behavior observed in other populists, particularly right-wing populists, as described in chapter 3.1. Populists, especially right-wing populists, gain support by criticizing the beneficiaries of globalization and advocating for increased government regulation to limit globalization (Rodrik, 2017, pp. 1-2). Donald Trump's "America-First" strategy can be cited as an example of this. Like other right-wing populists, Trump adopted a protectionist approach, moving away from free trade-oriented policies towards imposing tariffs and import barriers (Berenberg-Gossler et al., 2020; Rodrik, 2017).

His actions were aimed at renegotiating trade agreements and addressing perceived unfairness in international trade relationships. As a result, tariffs were implemented on various goods, including solar cells, washing machines, steel, and aluminum. As

demonstrated by Funke et al. (2020, p. 34), import tariffs experience a substantial increase of up to 10 percentage points following the assumption of power by populist leaders. Trump's actions in 2018 serve as a prime example, where he engaged in the renegotiation of multiple free trade agreements that were previously characterized by near-zero tariff levels, subsequently incorporating provisions favoring the United States or introducing import restrictions.

The most notable illustration of this phenomenon is observed in the case of China, where tariffs surged from 3.1 to 21 percent. Such measures can be regarded as emblematic of classical populism, and Funke, et al. (2020, p. 19-20) also concur that right-wing populists tend to impose even more elevated tariffs compared to the average populist. Thus, Trump's trade policy can be accurately described as highly right-wing populist in nature. Interestingly, this chapter also confirmed another thesis of Funke, et al. (2020, p. 19-20) discussed in the chapter 3.3 The Macroeconomics. Specifically, it underscores the differences in economic growth between populist and non-populist governments. The study conducted by Bellora & Fontagné (2019, p. 27) serves as evidence, revealing that the trade war with China led to a decrease of approximately 0.41 percent in U.S. economic growth. This reaffirms the claim made by Funke, et al. (2020, p. 19-20) that populism harms economic growth.

Overall, Donald Trump's trade agenda aligns with the typical behavior of right-wing populists in pursuing protectionist measures, imposing tariffs, and prioritizing national interests in trade negotiations.

4.2.2 Migration Policies

Subsequently, the forthcoming chapter will delve into an examination of the changes in migration to the U.S. during Trump's tenure. This section will highlight the key measures undertaken in migration policy throughout his four-year presidency.

Analyses

As shown in Chapter 4.1, Donald Trump employed the anti-immigration rhetoric from his 2016 campaign, emphasizing the need to restrict the entry of immigrant workers, limit the acceptance of refugees, and halt the immigration of Muslims. Donald Trump's primary emphasis was on tackling irregular migration, as evidenced by his proposition to build a “big, beautiful” wall along the U.S.-Mexico border (Pierce, et al., 2018, p. 1), coupled with efforts to curtail regular migration. The primary objective behind these measures was to safeguard American workers from foreign competition in the labor market (Heidland, 2020, p. 1). From the onset of his presidency and over the course of the four following years, the Trump administration fundamentally transformed U.S. migration policy (Rietig & Eckner, 2021, p. 5).

The measures implemented to address irregular migration were centered around two main components. Firstly, a significant reduction in the number of illegal border crossings, especially on the U.S.-Mexico border, was pursued. Secondly, there was an emphasis on increasing the frequency and consistency of deportations (Heidland, 2020, p. 1). By the end of Trump's presidency in the end of 2020, the completion of approximately 400 miles of additional border walls marked the central strategy in preventing illegal border crossings along the extensive 2,000-mile border with Mexico. Despite the existence of fortifications in certain sections of the border prior to Trump's presidency, the construction of this wall played a crucial role. Notably, while some of the newly erected barriers were situated in less frequented areas, their symbolic value was effectively utilized by Trump to appeal to a significant portion of his electorate. The total expenditure for this wall construction amounted to approximately 15 billion USD (Rietig & Eckner, 2021, p. 5). Furthermore, efforts were undertaken to decrease irregular migration by intensifying deportation measures (Heidland, 2020, p. 2). In response

to the rise in border apprehensions during 2018, the government endeavored to implement measures aimed at deterring future unauthorized border crossings and imposing hardships on those who had already crossed. In May 2018, the Department of Justice and the Department of Homeland Security introduced a *zero-tolerance policy* at the U.S.-Mexico border, vowing to collaborate in prosecuting individuals who entered or reentered the country without authorization. However, due to resource limitations, the agencies were unable to fully execute this policy as it would have necessitated additional federal judges, criminal defense attorneys, U.S. Marshal personnel for migrant transportation, and expanded detention capacity for Immigration and Customs Enforcement (Pierce, et al., 2018, p. 5). The implementation of the *zero-tolerance policy* sparked significant controversy, as it led to the separation of approximately 4000 children from their parents (Rietig & Eckner, 2021, p. 5).

Trump's administration implemented significant limitations on both labor and family migration within the realm of legal immigration, aiming to establish a more merit-based immigration system (Rietig & Eckner, 2021, p. 7). However, this approach ultimately resulted in a significant decrease in the overall number of green cards issued between 2016 and 2019. In fact, in 2019 there were approximately 200,000 fewer approved green card applications compared to the start of Trump's presidency, reflecting the impact of these policy changes. Furthermore, the approval rate for green cards pertaining to immediate relatives of U.S. citizens had experienced a discernible decline (Heidland, 2020, p. 2). One notable contributing factor behind this trend is the implementation of the *Muslim Travel Ban*. Following his inauguration, Trump promptly implemented a travel ban encompassing seven states with predominantly Muslim populations. In response to judicial decisions, the White House made multiple revisions to this order until its legality was ultimately upheld (Rietig & Eckner, 2021, p. 5). In combination with the limitations on permanent residency permits, a negative trajectory was also evident regarding temporary visas. Aligned with the "Buy American, Hire American" ethos, initiatives were implemented to incentivize U.S. companies to prioritize the hiring of American citizens for job vacancies. This approach was reinforced by a visa system designed to allocate visas based on merit, seeking to strike a balance between attracting highly skilled immigrants and safeguarding low-skilled Americans in the labor market from potential competition and unemployment arising from immigration.

Nevertheless, this led to a substantial restrictions in the significant H1-B visa. These visas are designed for specialists in critically skilled professions that face a shortage of qualified workers (Heidland, 2020, p. 3).

Lastly, the immigration policy was also significantly influenced by the COVID-19 pandemic, which Trump utilized as a rationale for implementing additional restrictive measures. As an illustration, in March 2020, the White House, via the Center for Disease Control and Prevention, issued an order enabling the immediate refusal of entry to individuals at the border if there was a concern about the potential transmission of diseases like Covid-19. Consequently, by September, the United States had denied over 150,000 individuals the opportunity to seek asylum (Rietig & Eckner, 2021, p. 13).

Discussion

Donald Trump's migration agenda demonstrated noteworthy similarities with the agendas of other right-wing populists. Like his populist counterparts, Trump placed significant emphasis on the imperative of restricting immigration and instituted a range of measures to tackle the issue of irregular migration. Central to his approach was the intent to safeguard American workers from perceived foreign competition in the labor market. Trump's notable proposal to construct a border wall along the U.S.-Mexico border (Pierce, et al., 2018, p. 5), along with his efforts to curtail regular migration, are indicative of his alignment with populist perspectives on immigration. The policies implemented by Trump's administration were aimed at reducing illegal border crossings, which included the construction of additional physical barriers and an escalation in deportation activities (Heidland, 2020; Rietig & Eckner, 2021). These measures were consistent with the predominant rhetoric adopted by right-wing populist parties, seeking to address perceived threats associated with immigration by emphasizing border security and intensifying immigration enforcement efforts.

Moreover, Trump's migration agenda included limitations on both labor and family migration within the legal immigration framework, with the aim of establishing a more merit-based system. Such an approach resonated with the core populist notion of prioritizing the interests of native workers and citizens over those of immigrants. The implementation of the *Muslim Travel Ban* and the imposition of restrictions on

permanent residency permits and temporary visas further exemplify Trump's immigration strategy, which explicitly focuses on particular groups (Rietig & Eckner, 2021, p. 5). Right-wing populists define their conception of the “people” based on characteristics rooted in racial chauvinism. Foreigners are categorized based on political exclusion criteria, including religion (Schellenberg, 2018). The implementation of the *Muslim Travel Ban* serves as a notable illustration of this phenomenon.

Donald Trump's migration agenda consequently fits into the overarching direction of right-wing populism by emphasizing the adoption of restrictive immigration policies and prioritizing the interests of domestic workers who perceive migration as a threat.

4.2.3 Macroeconomic Policies

Donald Trump's campaign slogan, “Make America Great Again” (Conway, 2016), served as both a call and a commitment. In the following chapter this paper will examine whether he has effectively fulfilled this slogan, in a macroeconomic sense, despite the challenges of assessing accomplishments and setbacks amidst the COVID-19 pandemic.

Analyses

At the core of the “Make America Great Again” (Conway, 2016) agenda lays a persistent emphasis on boosting the domestic economy. Shortly following his inauguration, and as mentioned earlier, President Trump published a position paper outlining his intentions to generate 25 million new job opportunities within the next decade and to restore economic growth to a rate of 4 percent. To attain these objectives, three key policy measures were proposed: tax reform, deregulation, and a restructuring of international trade (Bandholz, 2020, p. 6).

Donald Trump initiated this agenda in December 2017 with the implementation of the *Tax Cuts and Jobs Act*, marking the most extensive tax reform in the United States in over three decades. This legislation encompassed substantial tax reductions for both businesses and households (Born, et al., 2020, p. 2). In addition to this first fiscal stimulus, the Trump administration passed the *Bipartisan Budget Act 2018*, which entailed

significant increases in government expenditures. Although the impact of fiscal multipliers tends to be smaller during economic upswings compared to downturns (Bandholz, 2020, p. 7), most scholars agree that measures like this have a discernible positive influence on economic growth, at least in the short term (Bandholz, 2020; Born, et al., 2020; Barro & Furman, 2018). As a result, economic growth accelerated, rising from 1.6 percent in 2016 to 2.9 percent in 2018. Additionally, the labor market recovery persisted, with over 6.5 million new jobs generated between President Trump's inauguration and the begin of the COVID-19 pandemic; the unemployment rate plummeted to a 50-year low of 3.5 (Bandholz, 2020, p. 7). However, prior to the onset of the COVID-19 pandemic, nearly all economic indicators exhibited a trajectory consistent with previous years. During the Obama administration, the economy had experienced an average growth rate of 2.4 percent from 2014 to 2016, accompanied by the addition of 224,000 net jobs per month. In the initial three years of the Trump presidency, the figures stood at 2.5 percent growth and 182,000 jobs per month. Consequently, the unemployment rate continued its decline from 4.7 percent in December 2016 to 3.5 percent in January 2020 (Bierling, 2021).

Nevertheless, GDP growth decelerated to 2.0 percent in January of 2020, and employment gains diminished to an average of approximately 180,000 per month. Although these figures remained respectable, they were significantly less dynamic than those in the first three years of Trumps presidency (Bandholz, 2020, p. 7). Borro and Furman employed a doppelganger approach to assess the impact of Trump's presidency on the United States. Their analysis examines the U.S. economy with and without Trump, leading them to affirm that during the initial 2.5 years following Trump's inauguration, his influence on the U.S. economy was inconsequential. They observed no notable improvements in output measures or significant changes in key labor market indicators that could be attributed to Trump's policies (Barro & Furman., 2018, pp. 10-11).

In March 2020, the COVID-19 pandemic emerged, leading President Trump to declare a state of national emergency in response to the global health crisis. The rapid spread of COVID-19 throughout the country led to the closure of businesses, implementation of state lockdown orders, and adoption of social distancing measures aimed at mitigating the transmission of the disease. Consequently, economic activity came to a standstill, resulting in a significant decline in both employment levels and GDP. This

recession, triggered by the impact of COVID-19, is unparalleled in many aspects (Weinstock, 2021, p. 1). One notable indicator of the economic downturn was the contraction in real GDP, which measures economic output adjusted for inflation. In the first quarter of 2020, real GDP experienced a decline at an annual rate of 5.0 percent, followed by a staggering annual decline of 31.4 percent in the second quarter of 2020, marking the largest quarterly contraction since record-keeping began in 1947 (Weinstock, 2021, p. 4). In addition, the unemployment rate also reached unprecedented levels, peaking at 14.7 percent in April 2020, the highest recorded monthly rate by the Bureau of Labor Statistics since the series began in 1948 (Weinstock, 2021, p. 2).

Due to this unprecedented economic collapse, Congress and Donald Trump enacted three significant pieces of emergency legislation, each providing different levels of intergovernmental investment and support for automatic stabilizers. The initial aid program swiftly enacted was the *Coronavirus Preparedness and Response Supplemental Appropriations Act*, which took effect as early as March 6th, 2020. Its primary focus was to allocate funds, amounting to approximately 8 billion USD, for direct pandemic response efforts (Roccoa, et al., 2020, p. 462). Recognizing the escalating economic downturn and rapidly increasing unemployment rates, Congress then passed the *Families First Coronavirus Response Act* on March 18th, worth approximately 182 billion USD. The following aid package, the *Coronavirus Aid, Relief, and Economic Security Act*, was signed into law on March 27th, 2020. This far-reaching legislation included provisions with an unprecedented scale of approximately 2.2 trillion USD, representing nearly 10 percent of the U.S. Gross National Product. Among its measures, approximately 300 billion USD was allocated for one-time payments, commonly referred to as stimulus checks, which were disbursed to all adult Americans. An additional 260 billion USD was designated to enhance and extend unemployment benefits (Sparding, 2021, pp. 24-25). Despite these significant aid packages, which led to a rebound in the third quarter of 2020 with real GDP rising at an annual rate of 33.1 percent, the recovery in absolute USD amounts was still less than the loss experienced in the second quarter. Despite making significant progress in the recovery of real GDP, it remained 0.9 percent lower in the first quarter of 2021, coinciding with the end of Trump's term, compared to the fourth quarter of 2019 before the onset of the pandemic. Additionally, the

unemployment rate had decreased to 6.1 percent in early 2021 (Weinstock, 2021, pp. 2-4). In addition, the Gini index witnessed a 1.2 percent increase between 2020 and 2021, rising from 0.488 to 0.494. This annual change marked the first instance of the Gini index experiencing an upward trend since 2011 (Semega & Kollar, 2022).

To conclude, at the end of Trump's presidency, unemployment was at 6.7 percent, and the GDP had shrunk by 3.5 percent in 2020. Nonetheless, substantial bipartisan stimulus expenditure, amounting to nearly four trillion USD, equivalent to approximately 20 percent of the GDP, served to alleviate the most severe consequences of the COVID-19 pandemic (Bierling, 2021).

Discussion

According to Dornbusch and Edwards (1991, p. 7), *economic populism* is characterized by a focus on growth and income redistribution while downplaying the risks associated with inflation and deficit spending. This characterization is evident in Trump's case, as demonstrated by the most comprehensive tax reform in the United States in more than three decades (Born, et al., 2020, p. 2), and the allocation of approximately four trillion USD in stimulus spending, equivalent to about 20 percent of GDP, to combat the COVID-19 pandemic (Bierling, 2021). Trump's economic trajectory aligns with the typical pattern observed in populist leaders, where the initial three years do not show significant differences in growth numbers compared to non-populist leaders. However, the adverse effects become more pronounced after this three-year period and continue to intensify. It is worth noting that Donald Trump, like other right-wing populists, experienced a notable decline in GDP growth, which is consistent with the findings of Funke et al (2020, pp. 30-31). Furthermore, under Donald Trump's administration, the Gini index increased for the first time since 2011. This aligns with the trend observed under other right-wing populists.

However, it is important to consider that this decline in GDP growth and the incline of the Gini index can also be attributed to the impact of the COVID-19 pandemic. Despite a slight decline in the economic trajectory during the third year, which preceded the pandemic, assessing Donald Trump's economic performance comprehensively is challenging due to the unique challenges posed by the COVID-19 crisis. However, there is

a discernible continuity between the policies implemented in response to COVID-19 and the macroeconomic policies pursued by Trump before the pandemic. Specifically, there was a tendency to downplay the risks associated with inflation and deficit spending, which resulted in a significant increase in the national debt. This aligns closely with the description provided by Dornbusch and Edwards (1991, p. 7).

Overall, assessing Donald Trump's economic performance proves to be challenging as it cannot be isolated from the context of the COVID-19 pandemic. The pandemic created a unique situation that makes it significantly more difficult to compare his macroeconomic performance with that of other populists.

4.2.4 Democratic Stability

The last chapter of the analysis centers on the examination of Trump's impact on the democratic institution in the United States. The primary focus is directed towards the three foundational pillars of democracy: the judiciary, the executive, and the legislature, alongside the unofficial fourth pillar, the media.

Analyses

From the outset, Donald Trump's relationship with democratic institutions has been fraught with challenges. This was apparent even during his election campaign, wherein Trump skillfully capitalized on the prevailing cross-party polarization within the U.S. political system and skillfully intensified it (Lammert, 2020, p. 176). Influenced by elements from his election campaign, Trump adopted a governing approach that aimed to mobilize his core voters, thereby intensifying the divisions between the two major political factions. However, as his second year in office unfolded, Trump began to modify his governing style. Notably, he increasingly utilized executive orders, granting him the ability to engage in policy-making without the need for congressional approval. This enabled him to implement a majority of his 2018 policy initiatives, including heightened trade tensions with China, diplomatic efforts with North Korea, and extensive deregulation within the energy, mining, and auto industries, all achieved without congressional backing (Lammert, 2020, p. 177). This disruptive and occasionally

autocratic manner in which Trump conducted his office posed significant challenges to the system of checks and balances deep-rooted in the American constitution. This system was originally established to protect political freedoms, with a specific focus on upholding the independence of the judiciary and the primacy of the rule of law. However, Trump's actions directly threatened these fundamental principles (Ruß-Sattar, 2021, p. 104). Through various actions, Donald Trump eroded the autonomy of the judiciary by introducing a politicized approach. President Trump employed derogatory language by referring to a judge critical of his administration's asylum policy as an “Obama judge” (Liptak, 2018) and by accusing another federal judge of displaying bias due to his Mexican heritage (Liptak, 2018). Additionally, he undermined the credibility of esteemed individuals within the Justice Department and law enforcement agencies while consistently appointing judges aligning with conservative ideologies. Notably, he successfully appointed three openly conservative judges to the Supreme Court, in addition to numerous appellate judges. By early December 2018, he had filled 29 positions on circuit courts, surpassing the appointment rate of any previous president within such a condensed timeframe. While the shift in the ideological balance across the Circuit Courts has been gradual, the long-term repercussions have been significant (Horst, 2019, p. 33).

In addition, Trump consistently targeted journalists and mainstream media during his presidency, going so far as to label them as “enemies of the people” (Ruß-Sattar, 2021, pp. 115-116). This hostile stance towards the press had far-reaching consequences. For instance, the Civicus Monitor, an international organization that evaluates the state of freedom of association, assembly, and expression using both quantitative and qualitative data, downgraded the quality of the civic space in the United States to the Obstructed Level in 2020. The Civicus Monitor employs a five-point scale that includes the categories of Closed, Repressed, Obstructed, Narrowed, and Open. In 2022, the Civicus Monitor revised the assessment of the U.S. civic space and upgraded it to the “narrowed” level (Moitor, 2023). Towards the end of his term, President Trump went to the extent of openly violating a fundamental principle of democracy by refusing to acknowledge the results of the November 2020 presidential election. He propagated the narrative of a *stolen election*, alleging that his victorious Democratic opponent, Joe Biden, had rigged the process. Despite the absence of substantial evidence supporting

these claims, which could have been presented to the courts, Trump persisted in arguing that he had drawn significantly larger crowds to his campaign rallies compared to Biden, who had intentionally avoided such gatherings due to the COVID-19 pandemic. This approach allowed President Trump to push political polarization to an extreme populist level, disregarding the norms of representative democracy and transforming them into a form of “identity-based” democracy, where the leader's legitimacy was derived through acclamation (Ruß-Sattar, 2021, pp. 108-109).

As a consequence of Trump's baseless allegations and the perpetuation of the narrative of a *stolen election*, an unprecedented number of election workers faced threats in 2020. The severity of the situation was evident in a survey conducted by the Brennan Center for Justice, where one-third of the respondents who were election workers expressed feeling unsafe, and 79 percent expressed the need for government security measures (Kleinfeld, 2021, p. 160).

Moreover, this narrative propagated by Trump had the effect of portraying the most extreme faction of his supporters as guardians of democracy and patriotic defenders (Ruß-Sattar, 2021, pp. 108-109). This, in turn, culminated in the violent storming of the Capitol on January 6th, 2021, resulting in the loss of five lives. Supporters loyal to Donald Trump, driven by the belief that the November 3rd, 2020 presidential election victory by Joe Biden was illegitimate, launched an assault on the seat of Congress during the certification process. The occurrence of these events was not a spontaneous development, as concerns had already emerged regarding the possibility of Trump attempting to subvert his electoral defeat through a coup d'état. Prior to the events, Trump had publicly urged his supporters to march to the Capitol and “fight like hell” (Braml, 2021).

Discussion

Donald Trump's behavior during his presidency aligns with the typical behavior of populists when they come to power, as illustrated in chapter 3.4 titled The Democratic Status. One of the fundamental principles in a liberal democracy is a system of checks and balances, which populism tends to undermine (Spittler, 2018, pp. 103-104). Trump, who was in line with such patterns, frequently bypassed traditional channels of

governance, relying on executive orders to implement policy initiatives without congressional approval, thereby concentrating power in the executive branch (Lammert, 2020, p. 177).

Furthermore, Donald Trump strategically leveraged party polarization to his advantage by attacking courts, judges, journalists, and other institutions that he perceived as obstacles to his agenda. His criticism extended to mainstream media, which he labeled as “enemies of the people” (Ruß-Sattar, 2021, p. 115). This hostile rhetoric and action resulted in a downgrading of the civic space in the United States to an obstructed level, reflecting the erosion of democratic norms and freedoms. Additionally, Trump's reshaping of the ideological balance within the judiciary, achieved through the appointment of judges aligned with conservative ideologies, undermined the credibility of these institutions that play a vital role in upholding democratic principles (Horst, 2019, p. 33). These findings strongly align with the research conducted by Funke et al. (2020, pp. 44-34), which highlights a direct decline in the quality of institutions when populists assume positions of power.

Similar to other populists, when confronted with difficulties in fulfilling his promises, Donald Trump employed strategies aimed at consolidating his hold on power (Guriev & Papaioannou, 2022, p. 812). One notable instance of such behavior can be observed in his administration's asylum policy, where Trump resorted to tactics designed to exert influence over the independence of the judiciary. For instance, he publicly referred to a judge critical of his asylum policy as an “Obama judge” (Liptak, 2018), implying bias due to the judge's appointment during the Obama administration. Furthermore, he accused another federal judge of displaying bias based on his Mexican heritage (Liptak, 2018). These actions clearly demonstrated an attempt to undermine the impartiality and independence of the judiciary, a vital institution within a democratic system (Guriev & Papaioannou, 2022, p. 812).

The tendency of right-wing populists to impose stronger restrictions on electoral freedom, as found by Funke, et al. (2020, pp. 40-43), is exemplified by the events surrounding the 2020 U.S. presidential election, during which Donald Trump refused to acknowledge the election results and propagated the narrative of a *stolen election*. This narrative had profound consequences, including the feelings of insecurity among election workers and the perceived need for increased governmental security measures

(Kleinfeld, 2021, p. 160). The culmination of these events was the storming of the Capitol, as supporters of Donald Trump, who questioned the legitimacy of the election results, resorted to violent action. The refusal to accept the election results and the subsequent attacks on the capitol show the extent to which trust in the electoral process did erode and the impact that Trump's populist rhetoric had on the democratic system of the USA.

In conclusion, the behavior exhibited by Donald Trump during his tenure as President aligns with the characteristic behavior observed in populists when they assume positions of power. His actions were marked by the erosion of checks and balances within the political system. Additionally, Trump targeted various institutions that he perceived as obstacles to his agenda, seeking to undermine their credibility and independence. As a result, the quality of democratic institutions experienced a decline, reflecting a deterioration in their functioning and integrity. These findings highlight the alignment of Donald Trump's behavior with the typical patterns observed in populists when they come to power, demonstrating the potential threats posed to democratic systems and the erosion of democratic norms.

5. Limitations and Future Research Suggestions

Chapter 4. Case Study: the U.S. under Donald Trump illustrates the possibility of categorizing Donald Trump as a populist, aligning his politics with the four characteristics outlined in Chapter 3. The chapter demonstrates Trump's alignment with protectionist trade policies, reduced migration, unsustainable debt dynamics, and the undermining of democratic institutions, similar to other populist leaders. Trump often employs xenophobic rhetoric and pursues economic nationalism and protectionist measures, which are common among populists. However, it is crucial to acknowledge the multidimensional nature of social science and engage in critical discussions of these findings in the subsequent chapter.

While the study provides evidence of Trump's embrace of populist and right-wing populist policies, it is important to note that the findings primarily focus on Trump's populist tendencies and lack a comprehensive assessment of counterarguments and alternative perspectives. Incorporating a more comprehensive and balanced analysis would enhance the paper, but it should be acknowledged that an exhaustive examination is beyond the scope of this paper. Also, reducing the analysis to only four economic categories may oversimplify the intricate nature of populist movements. While concerns regarding immigration and trade restrictions often feature prominently in the agenda of right-wing populists, it is crucial to take into account other significant factors such as socio-cultural issues and identity politics. These elements play a crucial role in shaping the appeal and support base of populist movements and their economic agenda. By considering a broader range of factors, a more comprehensive understanding of the complexity of populist movements could be achieved.

Additionally, Chapter 4.2.2 Migration Policies addressed, migration policies. Policies of this nature have implications for immigration and the economy, and in certain contexts, they can be categorized as populist. However, it is important to acknowledge that such policies also give rise to substantial concerns regarding discrimination and potential violations of human rights. It is imperative to thoroughly examine the consequences of such measures and assess their long-term effects on social inclusion in order to fully grasp the implications of the populist immigration agenda.

Furthermore, when analyzing the macroeconomic agenda of Trump's presidency, it is vital to acknowledge that economic outcome is influenced by a multitude of factors that extend beyond the control of any individual president. While Trump's actions, such as tax cuts, deregulation, and high levels of debt, could be traditionally perceived as having populist characteristics, conducting a comprehensive assessment becomes challenging due to the need to consider other factors such as global economic patterns and the impact of the COVID-19 pandemic. Also, it is important to note that tax cuts, deregulation, and high debt are not inherently exclusive to populism. Non-populist administrations may also adopt these economic policies as part of their agenda. Therefore, it is central to avoid automatically categorizing these policies as exclusively populist, as their adoption can vary across different political ideologies and contexts. Additionally, it is important to note that this paper has focused on a limited number of major macroeconomic policy decisions, which do not encompass the entirety of Trump's economic policy. Nevertheless, these policies have exhibited a clear tendency to align with other populist measures, although definitive conclusions cannot be drawn.

In reference to chapter 4.2.4 Democratic Stability, which highlights a potential erosion of checks and balances, it is important to recognize that executive orders have been used by presidents of different political affiliations. Moreover, the erosion of checks and balances is not the only indicator in this regard. A comprehensive assessment of the impact on checks and balances requires an analysis of the overall balance of power and the interplay between the executive, legislative, and judicial branches of government. It is also worth mentioning that while Trump has criticized various institutions, including the judiciary and the media, this does not automatically mean that such criticism is populist or inherently false. Criticism of institutions is not exclusive to populists, and it is important to distinguish between legitimate criticism and actions that undermine the independence and integrity of these institutions. Moreover, Trump is not the only president who has appointed judges with similar ideological beliefs.

In conclusion, while the analysis sheds light on significant facets of Trump's behavior and its alignment with specific populist tendencies, there remains a need for a more extensive and comprehensive critical assessment of the arguments presented. This assessment should include an exploration of the diversity within the populist movement and an acknowledgment of the contextual factors that influence political and economic

dynamics. By incorporating these elements, a more nuanced understanding of Trump's presidency and its relationship to populism can be achieved.

6. Conclusion

The term *Populism* encompasses various meanings, yet it is widely acknowledged that its core features revolve around the distinction between “the people” and “the elites”. In recent times, there has been a noticeable revival of populism in advanced economies, particularly in Europe, and notably since 2016 in the United States. This study sought to investigate whether there are common economic policies shared by populist leaders upon assuming power, and the results of the research support this proposition.

The paper examines four fundamental characteristics commonly associated with populists, namely: *Protectionism and Globalization*, *The Economics of Migration*, *The Macroeconomics*, and *The Democratic Status*. These characteristics are reflected in their rhetoric, and particularly, right-wing populist governments frequently manifest xenophobic rhetoric in concrete actions, pursuing policies of economic and migratory nationalism, as well as protectionism. Moreover, the paper demonstrates that over the medium and long term, countries governed by populists tend to experience adverse economic outcomes, evidenced by significant declines in real GDP, high levels of debt, and erosion of democratic institutions. Notably, the independence of the judiciary, the quality of elections, and freedom of the press and media exhibit declines, potentially impeding the economic climate in democratic societies. Despite some disagreement in the literature on the impact of migration and democracy on economic outcomes, it is evident that such behaviors can ultimately lead to a deteriorated economic position.

In a secondary investigation, this paper aimed to examine the extent to which Donald Trump adopted economic characteristics consistent with populist principles and the resulting impact on the economic conditions in the United States. The analysis clearly confirms that Donald Trump closely aligned himself with the four identified categories, demonstrating behavior similar to that of other populist leaders. Trump's trade agenda reflected the typical behavior of right-wing populists, characterized by protectionist measures, tariff imposition, and prioritization of national interests in trade negotiations. His migration agenda likewise followed the predominant direction of right-wing populism, emphasizing restrictive immigration policies and prioritizing the concerns of domestic workers who perceive immigration as a threat. Trump's macroeconomic agenda indeed followed the typical pattern observed among populist leaders. However,

it is important to acknowledge that in this particular category, conclusive approval cannot be granted, especially considering the unprecedented influence of the COVID-19 pandemic, which presents challenges in reconciling Trump's fiscal policy actions with the pandemic's impact. Nevertheless, consistent with a populist approach, Trump's presidency was characterized by the erosion of checks and balances within the political system, resulting in a decline in the quality of democratic institutions.

Overall, these findings underscore the alignment of Donald Trump's behavior with the typical patterns observed among populists upon assuming power. However, the limited scope of this paper demanded addressing only partial aspects within the four sub-areas, as comprehensively covering a four-year tenure would require more extensive research. Additionally, it is challenging to conclusively determine the precise effects of Trump's actions on the U.S. economy, as reliable data regarding the exact impact of policies are lacking. While it has been established that the trade war resulted in welfare losses, the precise magnitude of these losses cannot be definitively determined. However, despite certain limitations of this paper, the research questions have been sufficiently addressed. In particular, thanks to the work of Funke, et al. (2020), there are identifiable economic characteristics associated with populists that have been clearly highlighted. In conclusion, this paper sheds light on the economic characteristics of populism and their implications for countries led by populist leaders. It reinforces the need for further research in this field and a comprehensive understanding of the impact of populist policies on the economy and democratic institutions. If populists continue to ascend to power and adopt similar economic policies, the potential for adverse economic consequences and threats to democratic norms remains a critical concern for the future of politics and governance.

It is confidently asserted that if Donald Trump is re-elected and continues with his 2017-2021 agenda, the U.S. economy is likely to experience welfare losses, while democratic institutions face potential challenges. Currently, it appears that Donald Trump could become the next president, as he is positioned to become the Republican presidential nominee. According to a recent Reuters/Ipsos poll, Trump enjoys substantial backing within his party, commanding a favorability rating of 47 percent, a notable lead over Florida Governor Ron DeSantis, who receives 19 percent (Lange, 2023). Consequently, if officially chosen as the presidential nominee, Trump would contend

against the widely unpopular President Biden, whose presidency is disapproved by 54 percent of Americans (Reuters/Ipsos, 2023).

Nevertheless, it is critical to comprehend the impact of populism on economic policy, regardless of whether Donald Trump is elected or not. Understanding this dynamic is another step in understanding populist appeals.

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Statutory Declaration

I hereby formally declare that I have written the submitted Bachelor Thesis entirely by myself without anyone else's assistance. Wherever I have drawn on literature or other sources, either in direct quotes, or in paraphrasing such material, I have given the reference to the original author or authors and to the source where it appeared. I am aware that the use of quotations, or of close paraphrasing, from books, magazines, newspapers, the internet or other sources, which are not marked as such, will be considered as an attempt at deception, and that the thesis will be graded with a fail. I have informed the examiners and the board of examiners in the case that I have submitted the dissertation, entirely or partly, for other purposes of examination.

Berlin the 1st of August 2023


